

SEP 28 2006

**EMPLOYER STATUS DETERMINATION
CANAC International Ltd.**

This is the determination of the Railroad Retirement Board concerning the continuing status of CANAC International Ltd. (CANAC) (B.A. No. 2905) as an employer under the Railroad Retirement Act (45 U.S.C. § 231, et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. § 351, et seq.) (RUIA). CANAC has been an employer under the RRA and RUIA with service creditable from July 6, 1988. In Board Coverage Decision (B.C.D.) 95-110 (issued November 15, 1995), the Board held that CANAC was under common control with one or more rail carriers and provided service in connection with railroad transportation.

Information provided by James T. Jensen, Executive Vice President and General Counsel of Savage Companies (Savage), a non-railroad employer, indicates that CANAC was purchased by Savage on April 30, 2004 from its parent company, the Canadian National Railway. CANAC was inactive and dormant after the purchase, and remains so. Savage has no relationship with the Canadian National, except for the purchase. Savage has no ownership interest or any contractual right to acquire an ownership interest in Canadian National, and none of Savage's officers or directors serve as officers or directors of Canadian National. Canadian National has no ownership interest or any contractual right to acquire an ownership interest in Savage and none of Canadian National's officers or directors serve as officers or directors of Savage.

Section 202.11 of the Board's regulations provides that:

The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status.

Based on the information set forth above, it is the determination of the Railroad Retirement Board that CANAC International Ltd. ceased being an employer under the RRA and RUIA on April 30, 2004, the date on which it was purchased by a non-railroad employer and was no longer owned by or under common control with a rail carrier employer.

Original signed by:

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